

Oncologists Blast New Medicare Part B Drug Plan

Proposed payment model called 'misguided,' 'dangerous'

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WASHINGTON -- The reviews are in from the oncology community for the Centers for Medicare & Medicaid Services (CMS) proposal to restructure payment for drugs under Part B of the Medicare program -- and they're overwhelmingly negative.

"On both policy and process, CMS missed the mark with this proposal," the Association of Community Cancer Centers said in a statement Wednesday. "The agency sought no stakeholder input and is providing little turnaround time before implementation of such a sweeping, misguided change in Medicare reimbursement."

The proposed payment model "is an inappropriate, dangerous, and perverse mandatory experiment on the cancer care of seniors who are covered by Medicare," wrote [Bruce Gould, MD](#), president of the Community Oncology Alliance, in a letter to CMS acting administrator Andy Slavitt and Health and Human Services Secretary Sylvia Burwell. "This experiment is a misguided government intrusion on the treatment of seniors with cancer and a very dangerous precedent in severing the sacred physician-patient bond."

The model, which [CMS announced Tuesday](#), would replace the current Medicare reimbursement -- the average sales price of the drug plus a 6% add-on fee to cover costs -- with a rate of the average sales price plus 2.5%, plus a flat fee of \$16.80 per drug per day. The flat fee would be adjusted at the beginning of each year.

Since Medicare Part B pays for drugs that are administered in a physician's office or hospital outpatient department, oncologists -- who administer many cancer drugs in their offices -- would be greatly affected by the new payment scheme, which CMS officials hope will encourage physicians to choose more cost-effective drugs rather than more expensive drugs, which provide higher reimbursements under the current system.

It wasn't just the oncology community that was unhappy. "Yesterday's announcement marks another troubling example of unelected bureaucrats making decisions behind closed doors that impact the American people and their healthcare," said representatives [Fred Upton \(R-Mich.\)](#), [Kevin Brady \(R-Texas\)](#), and [Sen. Orrin Hatch \(R-Utah\)](#) in a statement issued Wednesday.

"This decision was made with a complete lack of transparency and clear disregard for the people and stakeholders who will be impacted the most. [CMS's] proposed experiment on seniors stands to limit access to the critical care the sickest Medicare beneficiaries rely on, as well as disrupt how health care providers serve patients in the future. The model could ultimately result in seniors' receiving different standards of care based solely on where they live in the country."

But others had a different view. "I applaud the idea," [Len Nichols, PhD](#), director of the Center for Health Policy Research and Ethics at George Mason University, in Fairfax, Va., said in an interview with *MedPage Today*. "It won't solve all our problems because it presumes that there's a choice [of medications] and in many of the most recent cancer [drugs] there's no choice. But at the same time it is a move in the right direction."

The Department of Health and Human Services (HHS) also released positive outside comments about the CMS proposal. "Part B drug payments are generally not based on value, or on the competitive approaches that have helped bring a value focus to Part D drug payments," said [Mark McClellan, MD, PhD](#), former CMS administrator under President George W. Bush. "While not all of these ideas will work out, testing new Part B drug payment models and finding more effective ways to encourage drug innovation while avoiding unnecessary costs is very important for Medicare beneficiaries and the Medicare program."

"The new models proposed ... by CMS are an important step in our goal to deliver the best, value-based care to patients," said [Vincent Rajkumar, MD](#), of the Mayo Clinic in Rochester, Minn., in another statement released by HHS. "It is critical that these models are tested if we are to provide access to the most effective treatments to our patients in a manner that is affordable and value-driven."

Contributing Writer Shannon Firth contributed to this story.